

REMARKS

Claims 1-11, 13-33, and 35-42 are pending, with claims 1, 13, and 26 being independent. Claim 12 and 34 remain cancelled. No new matter has been added.

Title Change

Preliminary Amendment of October 11, 2003 requested a change of this Application's title to "A System and Method for Managing Healthcare Resources." As of this date, the Application's title has not yet been amended in the U.S. Patent and Trademark Office's system. Accordingly, Applicant respectfully requests the change in this Application's title.

Deavers rejection

Claims 1, 4-13, 18, 20-22 stand rejected under 35 U.S.C. § 103(a) as being anticipated by Deavers (6,044,352) in view of Kenna (6,108,641).

As presented, claim 1 recites a method of managing health care resources for a health care consumer. A health savings account is opened comprising a nontaxable section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle. The health care consumer is enabled to insert resources into the nontaxable section of the health savings account, such that resources are inserted into the nontaxable section before a user is obligated to pay tax on the resources. The health care consumer is enabled to insert resources into the taxable section of the health savings account, such that resources inserted into the taxable section are taxed. The health care consumer is enabled to withdraw resources from the taxable section at will. Setting preferences for the health savings account are referenced, the setting preferences determining the manner in which the resources are withdrawn. Finally, the health care consumer is enabled to access the health savings account to reimburse a health care provider using the setting preferences to allocate resources.

Applicant respectfully requests reconsideration and withdrawal of the rejection because Deavers fails to describe or suggest at least one of the features recited in claim 1. For example, Deavers fails to describe or suggest opening a health savings account, "comprising a nontaxable

section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle."

As explained in the MPEP § 2111.03, the use of a transitional phrase "comprising" in a claim requires that **"the named elements are essential**, but other elements may be added and still form a construct within the scope of the claim." See Genentech, Inc. v. Chiron Corp., 112 F.3d 495, 501 (Fed. Cir. 1997) (emphasis added). Therefore, the language of claim 1, which recites "health savings account comprising a nontaxable section and a taxable section," requires that the health savings account include not just one, but **both** a nontaxable section and a taxable section.

Deavers fails to teach a health savings account that comprises both a nontaxable section and a taxable section. Rather, Deavers teaches an account that is devoid of any sections and is either *entirely taxable* or *entirely nontaxable*. Specifically, once a user opens an account in Deavers, the user is given a choice of selecting an investment vehicle for the entire account to be either taxable or tax-free. See Col. 3:52-54. More specifically, the examples provided in Deavers patent demonstrate that Deavers describes a single, fully invested account without distinct taxable and nontaxable sections. For example, Deavers teaches maintaining an account containing a lump sum of money (e.g. 6K). See Col. 2, lines 17-18. The user will use some of the money stored in the account to pay insurance bills (e.g. 3K). See Col. 2, lines 19-20. However, the account in Deavers is not separated into taxable and tax-free sections where the taxable portion is placed in an investment vehicle – instead, after the insurance premium is debited from the user's account, **all** of the remaining money in Deavers' account is invested into the mutual funds:

In the example, upon opening the account, the first month's premium, e.g. \$250 would be paid to the insurance company, and each subsequent month, the same amount would be payable to the insurance company. **The remaining money would be in the money market fund or mutual fund and dividends each month, or from time to time, would be credited to that participant's account.**

.....
For a family participant the original money would be, for example, \$10,000, of which \$5,000 would be a one year insurance policy. **Again, for the family policy, \$416.67 would be sent to pay for each month's insurance premium, and the credit balance in that account would be invested in a mutual fund, income coming in from the mutual fund, and outlays of money for paying the insurance premium, and for payment of medical expenses which were drawn on the checks.** See Col. 7, lines 17-42 (emphasis added)

Thus, Deavers treats a user's account as a single entity, which is fully placed into a single investment vehicle, such as a mutual fund or money market account.

The Final Office Action of August 24, 2006 asserted that Deavers taught "opening a health savings account comprising a nontaxable section and a taxable section" by referring to Col. 2, lines 51-56, Col. 3, lines 48-56, and Col. 16, lines 17-21 of Deavers. See Final Office Action of August 24, 2006, page 3. However, the sections cited by the Final Office Action explicitly recite a mutual fund, which is "taxable or tax-free." As a result, the cited sections do not read on Deavers because of the reasons mentioned above with respect to "comprising" phrase, as discussed in the MPEP § 2111.03.

In addition, rather than supporting the rejection, the cited sections further underscore the crucial difference between Deavers and this Application. Specifically, the cited sections discuss using a single money market mutual fund (either taxable or tax-free), but do not discuss or suggest having more than one mutual fund as an investment vehicle. In fact, claim 23 of Deavers, which is relied upon by the Office Action to show "a health savings account comprising a nontaxable section and a taxable section," recites "a financial services product *consisting of* a money market mutual fund (which may produce taxable or tax-free dividends) and a health insurance policy..." See Col. 16, lines 71-23. As stated by the MPEP, the transitional phrase "consisting of" excludes any element, step, or ingredient not specified in the claim. In re Gray, 53 F.2d 520, (CCPA 1931), MPEP § 2111.03. As a result, it is clear that the cited section of Deavers specifically excludes having more than one class of investment vehicles, and hence, cannot teach "a health savings account comprising a nontaxable section and a taxable section."

Kenna similarly fails to remedy the failure of Deavers to describe or suggest "opening a health savings account, comprising a nontaxable section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle." While Kenna was not relied upon by the Final Office Action to show the above limitation, a discussion of why Kenna fails to describe or suggest an account "comprising a nontaxable section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle" may be useful for future prosecution.

First, Kenna fails to teach an account with "a nontaxable section and a taxable section." Rather, Kenna teaches using a single Medical Savings Account (MSA), which may be used for

direct payments of health-related expenses, but only as a tax-free account. See Kenna, Col. 8:54-56. In particular, paying the expenses or investing using MSA in Kenna does not involve taxation at all:

Account holders may pay medical expenses **tax-free** from the account by using an MSA debit card or checks, or leave their funds invested on order to grow **tax deferred**. See Kenna, Col. 8, lines 54-59 (emphasis added)

Second, as evidenced by the citation above, Kenna teaches placing the tax-deferred funds into an investment vehicle, such as a mutual fund. See also Col.13, lines 45-55. In other words, Kenna teaches placing funds located in a **nontaxable** account in an investment vehicle. Kenna's teaching is thus a complete opposite of claim 1, which requires that "the **taxable** section of the health savings account is placed in an investment vehicle." As a result, Kenna also fails to teach or suggest placing the taxable section of the health savings account in an investment vehicle.

Because Kenna fails to remedy the failure of Deavers to describe or suggest "opening a health savings account, comprising a nontaxable section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle," the combination of Deavers with Kenna also fails to describe or suggest the above features of claim 1. Therefore, Applicant respectfully requests reconsideration and withdrawal of the § 103(a) rejection of amended independent claim 1 and its respective dependent claims.

Similarly, each of independent claims 13 and 26 recite a health care account comprising a nontaxable section and a taxable section. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the rejection of amended independent claims 13 and 26 and their respective dependent claims for the reasons discussed above with respect to amended independent claim 1.

Barber, Henley, and Barber with Deavers Rejections

Claims 2-3, 14-17, 19, 23-42 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Deavers in view of Kenna and further in view of Barber(4,858,121), or Deavers in view of Kenna and further in view of Henley (2002/0065758)

Applicant respectfully requests reconsideration and withdrawal of the § 103(a) rejection because Barber, Henley, or their combinations do not remedy the failure of Deavers and Kenna to describe or suggest "opening a health savings account, comprising a nontaxable section and a taxable section, wherein the taxable section of the health savings account is placed in an investment vehicle," as recited in independent claims 1, 13, and 26.

No fees are believed due. Please apply any charges or credits to deposit account 06-1050.

Respectfully submitted,

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Dmitry Brant
Reg. No. 59,133

Fish & Richardson P.C.
1425 K Street, N.W.
11th Floor
Washington, DC 20005-3500
Telephone: (202) 783-5070
Facsimile: (202) 783-2331